

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 9/4/2015

GAIN Report Number: IT1557

Italy

Post: Rome

Stone Fruit Annual 2015

Report Categories:

Stone Fruit

Approved By:

Christine Sloop

Prepared By:

Ornella Bettini

Report Highlights:

Italy is the largest peach and nectarine producer in the EU-28 and ranks second in the world after China. Italy's MY2015/16 peach and nectarine production is forecast to slightly increase by 2.2 percent. Peach production is forecast at 579,000 MT (555,237 MT in MY2014/15), while nectarine production is forecast at 760,000 MT (765,064 MT in MY2014/15). Italy is a major peach and nectarine exporter, mainly within the EU-28. In 2014, Italy exported 298,442 MT of peaches and nectarines, 19 percent less than 2013.

General Information:
ITALY

I. PEACHES AND NECTARINES

Table 1: Production, Supply, and Demand (MT)

| Peaches & Nectarines | 2013 | 2014 | 2015 |
|---------------------------------|----------------------------|----------------------------|---------------------------|
| | Estimates 2013/2014 | Estimates 2014/2015 | Forecast 2015/2016 |
| | Post Data | Post Data | Post Data |
| Area Planted | 75,824 | 74,478 | 74,478 |
| Area Harvested | 71,551 | 70,061 | 70,010 |
| Production | 1,483,578 | 1,382,137 | 1,413,000 |
| Imports | 59,777 | 75,213 | 68,000 |
| Total Supply | 1,543,355 | 1,457,350 | 1,481,000 |
| Exports | 370,431 | 298,442 | 308,000 |
| Fresh Dom. Consumption | 1,093,826 | 1,097,072 | 1,099,000 |
| For Processing | 79,098 | 61,836 | 74,000 |
| Losses & Withdraws | 0 | 0 | 0 |
| Total Distribution | 1,543,355 | 1,457,350 | 1,481,000 |

Sources: Istat (Italian Institute of Statistics); CSO (Italy's Fresh Produce Service Centre); GTA (Global Trade Atlas); Industry contacts.

PRODUCTION

Italy is the largest peach and nectarine producer in the EU-28 and ranks second in the world after China. Stone fruit production plays a key role in the agricultural sector of several Italian regions, both in the North (especially in Emilia-Romagna and Piedmont) and in the South (Campania). The bulk of the Italian harvest occurs in June and July. Italy's MY2015/16 peach and nectarine production is forecast to slightly increase by 2.2 percent. Peach production is forecast at 579,000 MT (555,237 MT in MY2014/15), while nectarine production is forecast at 760,000 MT (765,064 MT in MY2014/15). The cling peach harvest is likely to reach 74,000 MT (61,836 MT in MY2014/15). Fruit quality is forecast to be good.

CONSUMPTION

The majority of the Italian peaches and nectarines are consumed fresh. Italian consumers generally prefer large, sweet, and pulpy fruits, while the North European markets prefer smaller, slightly sour, and crunchy fruits. Apart from the difficult economic situation and the industry's concern for the increasing complexity of the destination markets, the crucial target is to encourage consumption for a product that is the main summer fruit.

TRADE

Italy is a major peach and nectarine exporter, mainly within the EU-28. In 2014, Italy exported 298,442 MT of peaches and nectarines, 19 percent less than 2013. Lower volumes were exported to Germany (-12 percent), the leading destination, representing 44 percent of total exports. In 2014, Italy imported 75,213 MT of peaches and nectarines, a surge of 25.8 percent compared to 2013 driven by the increased volumes from Spain (+31 percent), the main supplier.

II. CHERRIES

Table 2: Production, Supply, and Demand (MT)

| Cherries | 2013 | 2014 | 2015 |
|---------------------------|---------------------|---------------------|--------------------|
| | Estimates 2013/2014 | Estimates 2014/2015 | Forecast 2015/2016 |
| | Post Data | Post Data | Post Data |
| Area Planted | 30,581 | 29,766 | 29,770 |
| Area Harvested | 29,727 | 28,969 | 28,974 |
| Production | 131,175 | 110,766 | 131,200 |
| Imports | 9,115 | 10,698 | 10,100 |
| Total Supply | 140,290 | 121,464 | 141,300 |
| Exports | 10,114 | 10,419 | 10,100 |
| Fresh Dom. Consumption | 122,306 | 104,399 | 123,328 |
| For Processing | 7,870 | 6,646 | 7,872 |
| Losses & Withdraws | 0 | 0 | 0 |
| Total Distribution | 140,290 | 121,464 | 141,300 |

Sources: ISTAT; GTA; Industry contacts

PRODUCTION

Italy's MY 2015/16 cherry production is preliminarily forecast at 131,200 MT. Southern Italy, which accounts for two thirds of the national cherry production, is forecast to register a production increase of 30 percent (especially for early varieties), thanks to ideal weather conditions during fruit set. Calibers are forecast to be smaller than 2014 and quality excellent. *Bigarreau* and *Giorgia* varieties are forecast to increase by 30 percent compared to the poor campaign of 2014. The harvest in Emilia-Romagna is also forecast to be good in terms of both quantity and quality. Production increases are forecast in Veneto, Piemonte, and Trentino thanks to new orchards entering in regime. Turi (Apulia), Vignola (Emilia- Romagna), Verona (Veneto), and Cuneo (Piedmont) are the main cherry producing areas.

TRADE

In 2014, Italy exported 10,419 MT of cherries, mainly to Germany (4,686 MT). In 2014, Italy imported 10,698 MT of cherries, mainly from Spain (5,105 MT), Turkey (1,937 MT), and Austria (1,053 MT).

Abbreviations and definitions used in this report:

MY Marketing year: June/May

Peaches/nectarines: HS Code 080930

Cherries: HS Codes 080921; 080929

MT Metric ton = 1,000 kg

Ha Hectare; 1 ha = 2.471 acres